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SUBJECT: CZECH POLITICS: TOPOLANEK IN, BUT PAROUBEK STILL

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- 11. (U) On Aug 16, Czech PM Jiri Paroubek formally presented his resignation to President Klaus, nearly ten weeks after deadlocked national elections and days after a compromise on Speaker of the Parliament broke the political logjam (reftel). In a carefully orchestrated sequence, Klaus accepted the resignation of Paroubek and his cabinet, but asked them to remain in power until the new government was ready to be appointed. One hour later, Klaus received Mirek Topolanek and appointed him Prime Minister and charged him with putting together a cabinet as swiftly as possible. Thus, the Czech Republic now formally has two Prime Ministers.
- 12. (U) This brief drama at the Prague Castle leaves us essentially where we have been for weeks: Paroubek and his ministers continue to run the government with no date certain for their actual departure from office, and Topolanek continues his months-long struggle to put together a government that can win a vote of confidence in the divided lower chamber. The only difference is that Topolanek now has a government-provided office and bodyguards.
- 13. (SBU) Making clear that he has the upper hand in the negotiations between the two largest parties, Paroubek promptly left Prague on Aug 17 for a brief vacation, declaring that he and Topolanek would meet again on Monday, Aug 21. During his ceremony at the Castle, Topolanek told the press that he expected to have a suitable cabinet together within a few weeks. The President then found it necessary to use his remarks to urge Topolanek to make this period as short as possible. Topolanek has since said that he expects to have a suitable team ready next week. Indeed, Paroubek has spoken up from his vacation to say that he wants Topolanek to take over next week. This pressure has led some to suspect that neither Paroubek nor Klaus truly want Topolanek to put together a cabinet and program that will be able to win a vote of confidence.
- 14. (U) The thirty-day clock for Topolanek to ask for a vote of confidence does not begin ticking until the President formally appoints his full government. Thus it may well be late September before this vote takes place. If the vote fails, as is possible, the process begins again (with Topolanek and his cabinet remaining in charge). Looming Oct 20-21 are municipal and Senate elections. In short, the fall will remain highly politicized.
- 15. (U) This is not the first time that the country has had two prime ministers. Then-President Havel did the same thing when replacing then-PM Klaus's government in 1998. And President Klaus appointed Stanislav Gross to replace Vladimir Spidla in 2004 before the former had put together a cabinet. Several observers have noted that this constitutional oddity is a potential source of trouble (for instance a signature by one or the other on a sensitive document could be called into

question), but like most other weighty topics during this late-summer "cucumber season," few Czechs are paying attention.

 $\P6.$  (U) Septel will discuss the obstacles facing PM Topolanek as he works to put together a lasting government, as well as implications for the U.S. CABANISS